

## Aetna 80/20 Plan for Retirees Brochure

### Includes Illustrative Claim Examples

#### 80/20 Plan for Retirees

If you are a retiree aged 65 or over or an employee on Long-Term Disability and Medicare eligible, then you and your Medicare eligible dependents are covered under the 80/20 Plan for Retirees. You are required to be enrolled in both Medicare Parts A & B and your spouse/domestic partner who is age 65 (or otherwise eligible for Medicare due age or disability) are also required to be enrolled in Medicare Parts A & B. If you are covering dependent(s) under age and not Medicare eligible, they will be provided the Aetna Retiree Pre-Medicare Health Plan (RPHP).

***Important:*** *If you cancel your health plan coverage for any reason, you forfeit your right to re-enroll in a Cornell University health plan in the future.*

We get frequent questions on how Retiree 80/20 plan works and the method for determining payments. We have put together this brochure with the highlights of the plan and some claim examples in an attempt to simplify the plan for you. The claim examples are illustrative only.

#### Highlights

- \$550 annual individual deductible;
- Deductible is included in the \$3,550 individual out-of-pocket maximum;
- Three Tier Prescription Drug Plan (30-day supply with copayment applicable to Tier);
- 90-day supply of maintenance drugs purchased through home delivery with copayment applicable to Tier;
- No pre-certification requirements when Medicare is primary;
- No referrals needed;
- Plan is good in any state or country;
- Routine physical examinations limited up to \$250 every two years not subject to deductible;
- Routine hearing exams will be covered once every two calendar years for all members at 80% after the deductible, subject to Reasonable and Customary (R&C);
- Hearing aid equipment will be covered at 100% not subject to deductible, subject to R&C as follows: Adults and children age 13 and older: \$1,500 per hearing aid per ear, once every four years. Children age 12 and younger: \$1,500 per hearing aid per ear, once every two years.

**Annual Individual Deductible**

The annual deductible is currently \$550 for an individual. This means that each covered individual must pay the first \$550 of eligible medical expenses before the plan reimburses.

**Out-of-Pocket Individual Maximum**

The out-of-pocket maximum is \$3,550 per individual. The out-of-pocket maximum is the most each covered individual will personally have to pay for eligible medical expenses in a calendar year when seeing a Medicare assigned provider. When your share of the expenses reaches the out-of-pocket maximum, the plan pays 100% of eligible covered expenses for the rest of the calendar year. Your deductible is included in this maximum. Any amount determined to be over Reasonable and Customary (R&C) including copays for prescription drugs does not count towards your out-of-pocket maximum. Any amount over Reasonable and Customary (R&C) and RX copays is your responsibility.

**Monthly Premium**

Cornell contributes 90% of the cost for individual coverage and 75% of the cost for family coverage. In addition, you are able to apply your unused sick leave credit to offset up to one-half of the retiree premium for individual coverage.

**Routine Physical Exams**

Routine physical examinations and all associated routine diagnostic testing is covered for the retiree and spouse/domestic partner. Coverage is limited to a \$250 maximum every two years for retirees age 40 and over. Reimbursement is at 80% not subject to the annual deductible. The dollar maximum includes all of your covered routine/preventive care such as the exam (regular and gyn), associated lab and x-ray, and immunizations. The maximum also extends to other routine/preventive services you incur during the two year period that may have other frequency guidelines such as a sigmoidoscopy every five years and a colonoscopy every 10 years.

**Prescription Drug Coverage - OptumRx**

Your prescription drug coverage is better than many of the Medicare Part D plans. You are not required to enroll in Medicare Part D. If you do enroll in Medicare Part D, your coverage through OptumRx will end. (Coverage for dependents continues).

Note: some people with limited income and resources may qualify for extra help and should contact the Social Security Administration at (800) 772-1213 or via the web at [www.socialsecurity.gov](http://www.socialsecurity.gov)

The prescription drug plan is a Three Tier Plan administered through OptumRx. The copayment that you pay depends on the Tier that your drug falls under. Some medications may be subject to prior authorization/coverage review or may be excluded from the OptumRx Formulary because alternative medications are available. Your retail pharmacy will let you know if your health plan requires additional information. If using OptumRx Home Delivery, your doctor can contact OptumRx to start the review process. You can call OptumRx's Member Services at (866) 533-6977 or log on to [www.optumrx.com](http://www.optumrx.com) to find out if your pharmacy participates, if your medication is on the formulary, excluded or requires preauthorization.

### **Retail Pharmacy Network**

When you purchase drugs at a pharmacy that is participating in the OptumRx Pharmacy Network, you pay less. You pay a \$5 copayment for covered generic drugs under Tier 1, \$30 for covered brand-name drugs under Tier 2, and \$50 for covered brand-name drugs under Tier 3. If you purchase drugs at a pharmacy that does not participate, you will pay more. You will pay the contracted rate less the applicable copay. Call OptumRx's Member Services at (866) 533-6977 or online at [www.optumrx.com](http://www.optumrx.com) to find out if your pharmacy is participating. You can receive up to a 30-day supply at a retail pharmacy.

### **Home Delivery**

You are able to purchase a 90-day supply of a maintenance medication and have it conveniently mailed to your home. Alternatively, you can have the 90-day script filled at the Cornell Health Pharmacy on the Ithaca Campus or instruct OptumRx to mail it to Cornell Health Pharmacy for pick up. You will pay a \$10 copayment for covered generic drugs under Tier 1, \$60 for covered drugs in OptumRx formulary under Tier 2 and \$90 for covered drugs not on OptumRx's formulary under Tier 3. Be sure to have your physician write your prescription for a 90-day supply plus refills for up to one year.

If you decide to direct the delivery of your maintenance medications to the Cornell Health Pharmacy on Cornell's Ithaca campus for added convenience, no extra fee will apply. Ask your clinician to "escribe" your 90-day prescription to the Cornell Health Pharmacy (listed as "Cornell – zip code 14853" in the Surescript network).

### **Precertification Requirements**

Under the 80/20 Plan for Retirees, there is no need to pre-certify your hospital stay or upcoming medical procedure because Medicare is primary.

### **No Referral Needed**

There is no need to go through your family doctor in order to get a referral to see a specialist. You can make the appointment yourself. Eligible services just need to be medically necessary and covered by the Plan.

### **Coverage is Good Anywhere**

Benefits for covered services are available worldwide. If you are out of the country, Medicare does not cover you, but the 80/20 Plan will. You will be required to pay the provider and then submit the bill (in English although not required) to Aetna and for prescription drugs to OptumRx. Medically necessary services will be paid at 80% after your \$550 individual deductible by the Aetna plan.

### **Business Travel Abroad Coverage**

Faculty and staff travelling abroad on university business can access help for medical attention through Aetna International, a unit that specializes in corporate travel. This is a rider to the Endowed Health Plans that uses an established network of local medical providers in over 160 countries, pays for care in local currency and virtually eliminates the need to pre-pay bills and seek reimbursement upon returning to the USA. Aetna International is a fully insured rider which does not allow coverage for individuals age 70 and older, which is a concern for an academic institution.

However, the Aetna Retiree 80/20 plan continues to accept the liability for medically necessary treatment regardless of where that care is delivered and regardless of age.

## Questions

An Aetna representative is readily available to help you with your medical coverage or claim questions. You can refer to the number on your Aetna ID card or call Aetna's Retiree Service Center at 1-800-338-4533. An OptumRx representative is available to help you with your prescription drug coverage or claim questions. You can call OptumRx member services at (866) 533-6977. If you cannot resolve your concerns through Aetna or OptumRx, please contact HR Services and Transitions Center at (607) 255-3936 and a counselor will be happy to assist you.

## Processing of 80/20 Plan for Retiree Claims

Medicare normally reimburses 80% of the allowable amount after you have satisfied the Medicare deductible. If your doctor takes Medicare assignment, you are responsible for the remaining 20% plus the deductible. For example, let's say the total bill was \$125 and Medicare allows \$100. Assuming the deductible was already satisfied, Medicare will pay \$80 and you pay the balance of \$20. The doctor cannot collect any part of the excess \$25 from you in a separate billing.

If your doctor does not take Medicare assignment, he or she cannot charge more than 15% above the Medicare allowable charge. In the example above, the doctor charged \$125, Medicare allowed \$100 and paid 80% or \$80. This calculation remains the same regardless of whether your doctor takes assignment or not. What changes is the patient responsibility since your doctor can bill you the difference between what Medicare approves and 115% of the approved amount, or \$115 using the example above. If you have met your deductible through Aetna, then this difference may be covered at 80% by the Plan. If you have not met your deductible, then your responsibility will be the difference between what Medicare paid (\$80) and what your doctor can charge (\$115), or \$35. Medicare will determine when the 115% limit is applicable, as it does not apply to all types of services.

If you choose to use a provider who has **opted out of Medicare**, you will pay significantly more out of pocket. The plan will assume 80% as the amount Medicare would have paid. In this case, because Medicare's normal payment is 80% and is equal or more than the normal plan payment, the Retiree 80/20 Plan pays zero. The 80% which is denied as the Medicare amount does not count toward your deductible or out-of-pocket maximum for the year. You will be responsible for the 80% Medicare would have reimbursed in addition to the 20% balance. Once your 20% coinsurance totals the out of pocket calendar year maximum, then the Retiree 80/20 Plan reimburses this portion only on eligible expenses. The amount Medicare would have covered, generally 80%, if the provider had not elected to opt out of Medicare would continue to be excluded from the Retiree 80/20 Plan, leaving you responsible for the balance. (Refer to examples 1C, 2C and 3C).

In the examples that follow, we have provided more detailed illustrations of the way the 80/20 Plan reimburses claims. The examples are based on the Medicare 2023 deductibles.

**Example 1: Surgery**

Ed is a retiree with family coverage. He is age 66 and has Medicare. Ed falls and breaks his leg, requiring surgery and a prescription. This is the first medical expense that Ed has incurred for this year. The following provides an example of how the expenses would be covered under the 80/20 Plan for Retirees.

**1A: Assigned Surgery**

Orthopedic surgeon’s charge:	\$5,500.00
Medicare allowable:	\$4,500.00
Medicare deductible:	\$226.00
Medicare balance:	\$4,274.00
Medicare coinsurance:	80%
Medicare pays:	\$3,419.20

*Aetna Plan Benefit Calculation*

Covered charge:	\$4,500.00
Less Aetna deductible:	\$ 550.00
Balance:	\$3,950.00
Coinsurance:	80%
Aetna normal plan benefit:	\$3,160.00
Less Medicare payment:	\$3,419.20
Aetna plan pays:	\$ 0.00
Ed pays:	\$1,080.80
((\$4,500 Medicare allowable	
- \$3,419.20 Medicare payment)	

Under the 80/20 Plan for Retirees, the \$1,080.80 that Ed pays is credited toward the \$3,550 out-of-pocket maximum. Prescription drugs are reimbursed in the same manner as all the other Endowed Health Plans, regardless of the Medicare enrollment in Part A or B. Ed pays the applicable prescription drug copay through OptumRx.

**1B: Unassigned Surgery**

Orthopedic surgeon’s charge:	\$5,500.00
Medicare allowable:	\$4,500.00
Medicare deductible:	\$233.00
Medicare balance:	\$4,267.00
Medicare coinsurance:	80%
Medicare pays:	\$3,413.60

*Aetna Plan Benefit Calculation*

115% of Medicare allowable amount:	\$5,175.00 (\$4,500 x 115%)
Less Aetna deductible:	\$ 550.00
Balance:	\$4,625.00
Coinsurance:	80%
Aetna normal plan benefit:	\$3,700.00

Less Medicare payment:	\$3,413.60
Aetna plan pays:	\$ 286.40
Ed pays:	\$1,472.00
(\$5,175 Medicare allowable	
\$3,413.60 Medicare payment	
-\$286.40 Aetna payment)	

Because Medicare’s payment of \$3,413.60 does not equal the normal plan payment of \$3,700, the plan pays \$ 286.40 in the above example. The amount that Ed pays for surgery (\$1,472) is credited toward his \$3,550 out- of-pocket maximum. Once Ed’s out-of-pocket maximum has reached \$3,550 in a calendar year, eligible medical expenses are reimbursed at 100% under the 80/20 Plan for Retirees for the remainder of that plan year.

**1C: Medicare Opt Out provider**

Orthopedic surgeon’s charge:	\$5,500.00
Medicare allowable:	\$ 0.00
Medicare deductible:	<u>\$ 226.00</u>
Medicare balance:	\$5,274.00
Medicare coinsurance:	80%
Amount Medicare would have paid:	\$4,219.20
<i>Aetna Plan Benefit Calculation</i>	
Allowable expense:	\$5,500.00
Less Aetna deductible:	<u>\$ 550.00</u>
Balance:	\$4,950.00
Coinsurance:	80%
Aetna normal plan benefit:	\$3,960.00
Less Medicare normal payment:	\$4,219.20
Aetna plan pays:	\$ 0.00
Ed pays:	\$5,500.00

Ed is responsible for the full amount of the surgeon’s charge of \$5,500. Ed received care from a physician who elected to “Opt-Out” of Medicare. Even though a provider chooses to Opt-Out of Medicare, the Aetna Retiree 80/20 Plan will continue to process the claim as if Medicare had reimbursed at 80%. In this situation, Medicare’s normal payment is 80% and is equal to or more than the normal Retiree 80/20 plan payment of \$3,960, so Aetna pays zero.

However, the \$550 applied to the Aetna deductible and \$990 in coinsurance is also applied to the Aetna out of pocket maximum (\$4,950 - \$3,960). The Retiree 80/20 Plan will not pay any amount on a claim from an Opt Out provider until the member has met their out of pocket maximum for the calendar year. *Then the plan reimburses 100% of the 20% coinsurance on eligible expenses in a calendar year.*

**Example 2: Surgery with deductible already met**

The following examples show the same surgery, but after Ed had satisfied both his Medicare Part B Deductible (\$226) and 80/20 Plan for Retirees Deductible for the year (\$550), which is included in the \$3,550 out-of-pocket maximum.

**2A: Assigned Surgery**

Orthopedic surgeon's charge:	\$5,500.00
Medicare allowable	\$4,500.00
Medicare coinsurance:	80%
Medicare pays:	\$3,600.00

*Aetna Plan Benefit Calculation*

Covered charge:	\$4,500.00
Coinsurance:	80%
Aetna normal plan benefit:	\$3,600.00
Less Medicare payment:	\$3,600.00
Aetna plan pays:	\$ 0
Ed pays:	\$ 900.00
(\$4,500 Medicare allowable - \$3,600 Medicare payment)	

**2B: Unassigned Surgery**

Orthopedic surgeon's charge:	\$5,500.00
Medicare allowable:	\$4,500.00
Medicare coinsurance:	80%
Medicare pays:	\$3,600.00

*Aetna Plan Benefit Calculation*

115% of Medicare allowable amount:	\$5,175.00 (\$4,500 x 115%)
Coinsurance:	80%
Aetna normal plan benefit:	\$4,140.00
Less Medicare payment:	<u>\$3,600.00</u>
Aetna plan pays:	\$ 540.00
Ed pays:	\$1,035.00
(\$5,175 Medicare allowable -\$3,600 Medicare payment -\$ 540 Aetna payment)	

**2C: Medicare Opt Out provider**

Orthopedic surgeon's charge:	\$5,500.00
Medicare allowable:	\$0.00
Medicare coinsurance:	80%
Amount Medicare would have paid:	\$4,400.00
	\$5,500.00

*Aetna Plan Benefit Calculation*

Covered charge:	
Coinsurance:	80%
Aetna normal plan benefit:	\$4,400.00
Less Medicare normal payment:	<u>\$4,400.00</u>
Aetna plan pays:	\$ 0.00
Ed pays:	\$5,500.00

This claim example is similar to example 1C. Again, Ed is responsible for the full amount of the surgeon’s charge of \$5,500 because his physician has chosen to “Opt-Out” of Medicare. Even though a provider chooses to Opt-Out of Medicare, the Aetna Retiree 80/20 Plan will continue to process the claim as if Medicare had reimbursed at 80%. Medicare’s normal payment is 80% and is equal to the normal Retiree 80/20 plan payment so Aetna pays zero. The Retiree 80/20 Plan will not pay any amount on a claim from an Opt Out provider until the member has met their coinsurance limit for the calendar year. Then the plan reimburses 100% of the 20% coinsurance on eligible expenses in a calendar year.

**Example 3: Surgery with deductible and coinsurance already met**

The following examples show the same surgery, but after Ed had satisfied both his Medicare Part B Deductible (\$226) and 80/20 Plan for Retirees Deductible for the year (\$550), and his out-of-pocket maximum (\$3,550) under the 80/20 Plan, which includes the \$550 deductible.

**3A: Assigned Surgery**

Orthopedic surgeon’s charge:	\$5,500.00
Medicare allowable:	\$4,500.00
Medicare coinsurance:	80%
Medicare pays:	\$3,600.00

*Aetna Plan Benefit Calculation*

Covered charge:	\$4,500.00
Coinsurance:	100%
Aetna normal plan benefit:	\$4,500.00
Less Medicare payment:	<u>\$3,600.00</u>
Aetna plan pays:	\$ 900.00
Ed pays:	\$ 0.00
(\$4,500 Medicare allowable	
-\$3,600 Medicare payment	
- \$900 Aetna payment)	

**3B: Unassigned Surgery**

Orthopedic surgeon’s charge:	\$5,500.00
Medicare allowable:	\$4,500.00
Medicare coinsurance:	80%
Medicare pays:	\$3,600.00



*Aetna Plan Benefit Calculation*

115% of Medicare allowable amount:	\$5,175.00 (\$4,500 x 115%)
Coinsurance:	100%
Aetna normal plan benefit:	\$5,175.00
Less Medicare payment:	<u>\$3,600.00</u>
Aetna plan pays:	\$1,575.00
Ed pays:	\$ 0.00
(\$5,175 Medicare allowance -\$3,600 Medicare payment -\$1,575 Aetna payment)	

**3C: Medicare Opt Out provider**

Orthopedic surgeon's charge:	\$5,500.00
Medicare allowable:	\$ 0.00
Medicare coinsurance:	80%
Amount Medicare would have paid:	\$4,400.00

*Aetna Plan Benefit Calculation*

Covered charge:	\$5,500.00
Coinsurance:	100%
Aetna normal plan benefit:	\$5,500.00
Less Medicare normal payment:	<u>\$4,400.00</u>
Aetna plan pays:	\$1,100.00
Ed pays:	\$4,400.00

Ed is responsible for \$4,400. Ed received care from a physician who elected to "Opt-Out" of Medicare. Even though a provider chooses to Opt-Out of Medicare, the Aetna Retiree 80/20 Plan will continue to process the claim as if Medicare had reimbursed at 80% or \$4,400. In this situation, Medicare's normal payment is 80% or \$4,400. Since Ed had already met the out of pocket maximum, Aetna makes a payment for the difference between the amount Medicare would have paid of \$4,400 (80% if the physician had not Opted Out of Medicare) and Aetna's normal plan benefit of \$5,500 (20% plus additional 80% assumed Medicare payment) for a payment of \$1,100.

**Example 4: Behavioral Health Visit for Ed**

The following examples shows a Behavioral Health visit, but after Ed had satisfied both his Medicare Part B Deductible (\$226) and 80/20 Plan for Retirees Deductible for the year (\$550). Examples below represent reimbursement for both an assigned and an unassigned claim.

**4A: Assigned Behavioral Health Visit**

Physician's charge:	\$125.00
Medicare allowable:	\$100.00
Medicare coinsurance:	80%
Medicare pays:	\$ 80.00

<i>Aetna plan benefit calculation</i>	
Covered charge:	\$100.00
Coinsurance:	80%
Aetna normal plan benefit:	\$ 80.00
Less Medicare benefit:	<u>\$ 80.00</u>
Plan pays:	\$ 0.00
Ed pays:	\$ 20.00

The \$20 is credited toward the out-of-pocket max.

**4B: Unassigned Behavioral Health Visit**

Physician's charge:	\$125.00
Medicare allowable:	\$100.00
Medicare coinsurance:	80%
Medicare pays:	\$ 80.00

<i>Aetna plan benefit calculation</i>	
Covered charge:	\$115.00 (\$100 x 115%)
Coinsurance:	80%
Aetna normal plan benefit:	\$ 92.00
Less Medicare benefit:	<u>\$ 80.00</u>
Aetna plan pays:	\$ 12.00
Ed pays:	\$ 23.00

The \$23 is credited towards the out-of-pocket max.

This brochure highlights benefits provided under the 80/20 Plan for Retirees. The complete terms of this plan are contained in the official plan documents, which govern in case of discrepancy.

Although Cornell University expects and intends to continue offering health coverage to retirees, it reserves the right to modify, suspend, or terminate the plan at any time by action of the Board of Trustees.